

## **HOUSE BILL No. 1471**

DIGEST OF HB 1471 (Updated February 3, 2009 11:43 am - DI 92)

Citations Affected: IC 6-1.1; IC 36-2; noncode.

**Synopsis:** Assessment rules. Prohibits the department of local government finance from changing the standards used to assess tangible property for property tax purposes except as necessary to bring a rule into conformity with a statute. Allows a county to conduct cyclical reassessments of real property instead of general reassessments. Changes the valuation date used in the last reassessment to March 1 of the year immediately preceding the reassessment date. Provides that land is assessed as agricultural land only when it is utilized for to agricultural purposes (as defined by the general assembly or recognized by the United States Department of Agriculture). Prohibits rules restricting the calculation of the circuit breaker for agricultural land. Repeals a law requiring the state board of tax commissioners (which no longer exists) to adopt rules.

Effective: Upon passage; January 1, 2009 (retroactive); July 1, 2009.

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January 14, 2009, read first time and referred to Committee on Ways and Means. February 5, 2009, amended, reported — Do Pass.



### First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

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## **HOUSE BILL No. 1471**

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

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- SECTION 1. IC 6-1.1-3-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. (a) Except to the extent that it conflicts with a statute and subject to subsection (f), 50 IAC 4.2 (as in effect January 1, 2001), which was formerly incorporated by reference into this section, is reinstated as a rule.
- (b) Tangible personal property within the scope of 50 IAC 4.2 (as in effect January 1, 2001) shall be assessed on the assessment dates in calendar years 2003 and thereafter in conformity with 50 IAC 4.2 (as in effect January 1, 2001).
- (c) The publisher of the Indiana Administrative Code shall publish 50 IAC 4.2 (as in effect January 1, 2001) in the Indiana Administrative Code
- (d) 50 IAC 4.3 and any other rule to the extent that it conflicts with this section is void.
- (e) A reference in 50 IAC 4.2 to a governmental entity that has been terminated or a statute that has been repealed or amended shall be treated as a reference to its successor.

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1	(f) The department of local government finance may not amend or
2	repeal the following (all as in effect January 1, 2001):
3	(1) 50 IAC 4.2-4-3(f).
4	(2) 50 IAC 4.2-4-7.
5	(3) 50 IAC 4.2-4-9.
6	<del>(4) 50 IAC 4.2-5-7.</del>
7	<del>(5) 50 IAC 4.2-5-13.</del>
8	<del>(6)</del> <b>(4)</b> 50 IAC 4.2-6-1.
9	<del>(7)</del> <b>(5)</b> 50 IAC 4.2-6-2.
10	<del>(8)</del> <b>(6)</b> 50 IAC 4.2-8-9.
11	(g) 50 IAC 4.2-5-7 and 50 IAC 4.2-5-13 are void.
12	SECTION 2. IC 6-1.1-4-4, AS AMENDED BY P.L.146-2008,
13	SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14	UPON PASSAGE]: Sec. 4. (a) A general reassessment, involving a
15	physical inspection of all real property in Indiana, shall begin July 1,
16	2000, and be the basis for taxes payable in 2003.
17	(b) Except as provided in subsection (j), a general reassessment,
18	involving a physical inspection of all real property in Indiana, shall
19	begin July 1, 2009, and each fifth year thereafter. Each reassessment
20	under this subsection:
21	(1) shall be completed on or before March 1 of the year that
22	succeeds by two (2) years the year in which the general
23	reassessment begins; and
24	(2) shall be the basis for taxes payable in the year following the
25	year in which the general assessment is to be completed.
26	The date as of which the true tax value of tangible property is to be
27	estimated for the general reassessment that begins July 1, 2009, is
28	March 1, 2011, and the valuation date for each general
29	reassessment thereafter is March 1 of each fifth year thereafter.
30	(c) In order to ensure that assessing officials are prepared for a
31	general reassessment of real property, the department of local
32	government finance shall give adequate advance notice of the general
33	reassessment to the assessing officials of each county.
34	(d) Except to the extent that it conflicts with a statute, 50
35	IAC 2.3 (as effective on January 1, 2007) is reinstated.
36	(e) Real property within the scope of 50 IAC 2.3 (as effective
37	January 1, 2007) shall be assessed on the assessment dates in
38	calendar years 2011 and thereafter in conformity with 50 IAC 2.3
39	(as in effect January 1, 2007) and the manual and guidelines
40	incorporated by reference into 50 IAC 2.3 (as in effect January 1,

2007). However, the assessed value of real property within the scope of 50 IAC 2.3 (as in effect January 1, 2007) shall be adjusted



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1	to account for changes in the value in those years since a general	
2	reassessment of property last took effect. Tables, formulas, and	
3	other values in the rule, manual, and guidelines must be revised to	
4	reflect the appropriate valuation date.	
5	(f) The publisher of the Indiana Administrative Code shall	
6	publish 50 IAC 2.3 (as in effect January 1, 2007) in the Indiana	
7	Administrative Code.	
8	(g) 50 IAC 2.4 and any other rule to the extent that it conflicts	
9	with this section is void.	
10	(h) A reference in 50 IAC 2.3 to a governmental entity that has	
11	been terminated or a statute that has been repealed or amended	
12	shall be treated as a reference to its successor.	
13	(i) The department of local government finance may not amend	
14	or repeal 50 IAC 2.3 (as in effect January 1, 2007) except as	
15	required to bring the rule into conformity with the following:	
16	(1) P.L.192-2002(ss), SECTION 193.	
17	(2) A statute enacted in the 2009 session of the general	
18	assembly.	
19	(3) Any other statute.	
20	(j) For assessment dates after 2008, subject to subsection (k), the	
21	county assessor and the county executive may jointly:	
22	(1) determine to conduct cyclical reassessments under this	
23	subsection instead of general reassessments under subsection	
24	(b); and	
25	(2) designate successive periods:	
26	(A) of equal length;	
27	(B) each of not more than four (4) years; and	
28	(C) to continue until the county assessor and the county	V
29	executive jointly determine:	
30	(i) to designate periods of different duration under this	
31	subdivision; or	
32	(ii) to apply general reassessments of real property in the	
33	county under subsection (b);	
34	in which an equal percentage of all parcels of real property in	
35	the county is assessed each year under the cyclical	
36	reassessment program so that a new assessment is determined	
37	for each parcel in the county in each designated period.	
38	(k) The following apply to cyclical reassessments under	
39	subsection (j):	
40	(1) The cyclical reassessments involve a physical inspection of	
41	the real property in the manner that physical inspections	
42	apply to a general reassessment under subsection (b).	



1	(2) The cyclical reassessment for an assessment date is
2	determined using the rules of the department of local
3	government finance for the appraisal of real property in a
4	general reassessment that apply for that assessment date,
5	subject to the adjustments under subsection (e).
6	(3) The county assessor shall determine which parcels are
7	subject to reassessment in each year under the framework of
8	subsection (j)(2).
9	SECTION 3. IC 6-1.1-4-4.5, AS AMENDED BY P.L.228-2005,
10	SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11	UPON PASSAGE]: Sec. 4.5. (a) The department of local government
12	finance shall adopt rules establishing a system for annually adjusting
13	The assessed value of real property within the scope of 50 IAC 21 (as
14	effective January 1, 2009) shall be adjusted annually to account for
15	changes in value in those years since a general reassessment of
16	property last took effect
17	(b) Subject to subsection (e), the system must be applied to adjust
18	assessed values beginning with the 2006 assessment date and each year
19	thereafter that is not a year in which a reassessment becomes effective.
20	(c) The rules adopted under subsection (a) must include the
21	following characteristics in the system:
22	(1) Promote uniform and equal assessment of real property within
23	and across classifications.
24	(2) Require that assessing officials:
25	(A) reevaluate the factors that affect value;
26	(B) express the interactions of those factors mathematically;
27	(C) use mass appraisal techniques to estimate updated property
28	values within statistical measures of accuracy; and
29	(D) provide notice to taxpayers of an assessment increase that
30	results from the application of annual adjustments.
31	(3) Prescribe procedures that permit the application of the
32	adjustment percentages in an efficient manner by assessing
33	officials.
34	(d) The department of local government finance must review and
35	certify each annual adjustment determined under this section.
36	(e) in conformity with 50 IAC 21 (as effective January 1, 2009).
37	Any other rule to the extent that it conflicts with this section is
38	void. The department of local government finance may not amend
39	or repeal 50 IAC 21 (as effective January 1, 2009) except as
40	required to bring the rule into conformity with the following:
41	(1) A statute enacted in the 2009 session of the general



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assembly.

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1	(2) Any other statute.
2	(e) (b) In making the annual determination of the base rate to satisfy
3	the requirement for an annual adjustment under subsection (a), the
4	department of local government finance shall determine the base rate
5	using the methodology reflected in Table 2-18 of Book 1, Chapter 2 of
6	the department of local government finance's Real Property Assessment
7	Guidelines (as in effect on January 1, 2005), except that the department
8	shall adjust the methodology to use a six (6) year rolling average
9	instead of a four (4) year rolling average.
10	(c) For assessment dates after January 15, 2009, an adjustment
11	in the assessed value of real property under this section must be
12	based on the estimated true tax value of the property on the
13	assessment date that is the basis for taxes payable on that real
14	property.
15	SECTION 4. IC 6-1.1-4-13 IS AMENDED TO READ AS
16	FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) In assessing
17	or reassessing land, the land shall be assessed as agricultural land only
18	when it is devoted to used for agricultural use. purposes (as defined
19	by the general assembly or recognized by the United States
20	Department of Agriculture).
21	(b) The department of local government finance shall give written
22	notice to each county assessor of:
23	(1) the availability of the United States Department of
24	Agriculture's soil survey data; and
25	(2) the appropriate soil productivity factor for each type or
26	classification of soil shown on the United States Department of
27	Agriculture's soil survey map.
28	All assessing officials and the property tax assessment board of appeals
29	shall use the data in determining the true tax value of agricultural land.
30	(c) The department of local government finance shall by rule
31	provide for the method for determining the true tax value of each parcel
32	of agricultural land.
33	(d) This section does not apply to land purchased for industrial,
34	commercial, or residential uses.
35	SECTION 5. IC 6-1.1-4-13.6, AS AMENDED BY P.L.146-2008,
36	SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

JANUARY 1, 2009 (RETROACTIVE)]: Sec. 13.6. (a) The township

assessor, or the county assessor if there is no township assessor for the

township, shall determine the values of all classes of commercial,

industrial, and residential land (including farm homesites) in the

township or county using guidelines determined by the department of

local government finance. Not later than November 1 of the year



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1	preceding the year in which:
2	(1) a general reassessment becomes effective; or
3	(2) a general reassessment would have become effective if the
4	county had not determined to conduct cyclical reassessments
5	under section 4(j) of this chapter;
6	the assessor determining the values of land shall submit the values to
7	the county property tax assessment board of appeals.
8	(b) Not before April 1 and not later than December 1 of the year
9	· · ·
	preceding the year in which a general reassessment becomes effective,
10	in which land values are submitted to the county property tax
11	assessment board of appeals under subsection (a), the county
12	property tax assessment board of appeals shall hold a public hearing in
13	the county concerning those values. The property tax assessment board
14	of appeals shall give notice of the hearing in accordance with IC 5-3-1.
15	and shall hold the hearing after March 31 and before December 1 of the
16	year preceding the year in which the general reassessment under
17	section 4 of this chapter becomes effective.
18	(b) (c) The county property tax assessment board of appeals shall
19	review the values submitted under subsection (a) and may make any
20	modifications it considers necessary to provide uniformity and equality.
21	The county property tax assessment board of appeals shall coordinate
22	the valuation of property adjacent to the boundaries of the county with
23	the county property tax assessment boards of appeals of the adjacent
24	counties using the procedures adopted by rule under IC 4-22-2 by the
25	department of local government finance. If the county assessor fails to
26	submit land values under subsection (a) to the county property tax
27	assessment board of appeals before November 1 of the year before the
28	date the general reassessment under section 4 of this chapter becomes
29	effective, the deadline under subsection (a), the county property tax
30	assessment board of appeals shall determine the values. If the county
31	property tax assessment board of appeals fails to determine the values
32	before:
33	(1) the general reassessment becomes effective; or
34	(2) a general reassessment would have become effective if the
35	county had not determined to conduct cyclical reassessments
36	under section 4(j) of this chapter;
37	the department of local government finance shall determine the values.
38	(c) (d) The county assessor shall notify all township assessors in the
39	county (if any) of the values as modified by the county property tax
40	assessment board of appeals. Assessing officials shall use the values
41	determined under this section

SECTION 6. IC 6-1.1-4-26 IS AMENDED TO READ AS



1	FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. Subject to this
2	article, the department of local government finance may adopt or
3	promulgate regulations, appraisal manuals, rules, bulletins, directives,
4	and forms for the assessment and reassessment of real property.
5	SECTION 7. IC 6-1.1-4-27.5, AS AMENDED BY P.L.146-2008,
6	SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7	JANUARY 1, 2009 (RETROACTIVE)]: Sec. 27.5. (a) The auditor of
8	each county shall establish a property reassessment fund. The county
9	treasurer shall deposit all collections resulting from the property taxes
10	that the county levies for the county's property reassessment fund.
11	(b) With respect to the general reassessment of real property that is
12	to commence on July 1, 2009, the county council of each county shall,
13	for property taxes due in 2006, 2007, 2008, and 2009, levy in each year
14	against all the taxable property in the county an amount equal to
15	one-fourth (1/4) of the remainder of:
16	(1) the estimated costs referred to in section 28.5(a) of this
17	chapter; minus
18	(2) the amount levied under this section by the county council for
19	property taxes due in 2004 and 2005.
20	(c) With respect to a general reassessment of real property that is to
21	commence on July 1, 2014, and each fifth year thereafter, the county
22	council of each county shall, for property taxes due in the year that the
23	general reassessment:
24	(1) is to commence in a county in which general reassessments
25	apply under section 4(b) of this chapter; or
26	(2) would commence if the county had not determined to
27	conduct cyclical reassessments under section 4(j) of this
28	chapter;
29	and the four (4) years preceding that year, levy against all the taxable
30	property in the county an amount equal to one-fifth (1/5) of the
31	estimated costs under section 28.5 of this chapter of the general
32	reassessment under section 28.5 of this chapter. or of cyclical
33	reassessments.
34	(d) The department of local government finance shall give to each
35	county council notice, before January 1 in a year, of the tax levies
36	required by this section for that year.
37	(e) The department of local government finance may raise or lower
38	the property tax levy under this section for a year if the department
39	determines it is appropriate because the estimated cost of:
40	(1) a general reassessment or under section 4(b) of this chapter;
41	(2) making annual adjustments under section 4.5 of this chapter;



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or

chapter; has changed.  (f) The county assessor may petition the county fiscal body to increase the levy under subsection (b) or (c) to pay for the costs of:  (1) a general reassessment;  (2) verification under 50 IAC 21-3-2 of sales disclosure form forwarded to the county assessor under IC 6-1.1-5.5-3; or  (3) processing annual adjustments under section 4.5 of this chapter; or	
(f) The county assessor may petition the county fiscal body to increase the levy under subsection (b) or (c) to pay for the costs of:  (1) a general reassessment;  (2) verification under 50 IAC 21-3-2 of sales disclosure form forwarded to the county assessor under IC 6-1.1-5.5-3; or  (3) processing annual adjustments under section 4.5 of this chapter; or	
increase the levy under subsection (b) or (c) to pay for the costs of:  (1) a general reassessment;  (2) verification under 50 IAC 21-3-2 of sales disclosure form forwarded to the county assessor under IC 6-1.1-5.5-3; or  (3) processing annual adjustments under section 4.5 of this chapter; or	
(1) a general reassessment; (2) verification under 50 IAC 21-3-2 of sales disclosure form forwarded to the county assessor under IC 6-1.1-5.5-3; or (3) processing annual adjustments under section 4.5 of thi chapter; or	0
7 (2) verification under 50 IAC 21-3-2 of sales disclosure form 8 forwarded to the county assessor under IC 6-1.1-5.5-3; or 9 (3) processing annual adjustments under section 4.5 of this chapter; or	
forwarded to the county assessor under IC 6-1.1-5.5-3; or  (3) processing annual adjustments under section 4.5 of thi chapter; or	
9 (3) processing annual adjustments under section 4.5 of thi chapter; or	S
10 chapter; or	
• '	S
11 (4) 1.5	
11 (4) doing cyclical reassessments under section 4(j) of thi	s
12 chapter.	
The assessor must document the needs and reasons for the increase	d
14 funding.	
(g) If the county fiscal body denies a petition under subsection (f	),
the county assessor may appeal to the department of local government	ıt
finance. The department of local government finance shall:	
18 (1) hear the appeal; and	
19 (2) determine whether the additional levy is necessary.	
20 SECTION 8. IC 6-1.1-4-28.5, AS AMENDED BY P.L.146-2008	*
21 SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIV]	
JANUARY 1,2009 (RETROACTIVE)]: Sec. 28.5. (a) Money assigne	
to a property reassessment fund under section 27.5 of this chapter ma	y
be used only to pay the costs of:	_
(1) the general reassessment of real property <b>under section 4(b</b>	
of this chapter or the cyclical reassessment of real propert	_
under section 4(j) of this chapter, including the computerizatio	n
of assessment records;	
(2) payments to assessing officials and hearing officers for count	
property tax assessment boards of appeals under IC 6-1.1-35.2;	
(3) the development or updating of detailed soil survey data b	•
the United States Department of Agriculture or its successor	r
agency;	
(4) the updating of plat books;	
(5) payments for the salary of permanent staff or for the	
contractual services of temporary staff who are necessary to assis	,t
assessing officials;	
(6) making annual adjustments under section 4.5 of this chapter	,
and (7) the verification under 50 IAC 21-3-2 of sales disclosure form	a.
40 (7) the verification under 50 IAC 21-3-2 of sales disclosure form 41 forwarded to:	3
41 IOFWARDED 10:	



1	(B) township assessors (if any);
2	under IC 6-1.1-5.5-3.
3	Money in a property tax reassessment fund may not be transferred or
4	reassigned to any other fund and may not be used for any purposes
5	other than those set forth in this section.
6	(b) All counties shall use modern, detailed soil maps in the general
7	reassessment of agricultural land.
8	(c) The county treasurer of each county shall, in accordance with
9	IC 5-13-9, invest any money accumulated in the property reassessment
10	fund. Any interest received from investment of the money shall be paid
11	into the property reassessment fund.
12	(d) An appropriation under this section must be approved by the
13	fiscal body of the county after the review and recommendation of the
14	county assessor. However, in a county with a township assessor in
15	every township, the county assessor does not review an appropriation
16	under this section, and only the fiscal body must approve an
17	appropriation under this section.
18	SECTION 9. IC 6-1.1-4-29, AS AMENDED BY P.L.146-2008,
19	SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20	JANUARY 1, 2009 (RETROACTIVE)]: Sec. 29. (a) The expenses of
21	a general reassessment under section 4(b) of this chapter or of a
22	cyclical reassessment of real property under section 4(j) of this
23	chapter, except those incurred by the department of local government
24	finance in performing its normal functions, shall be paid by the county
25	in which the reassessed property is situated. These expenses, except for
26	the expenses of a general reassessment, shall be paid from county
27	funds. The county auditor shall issue warrants for the payment of
28	general reassessment or cyclical reassessment expenses. No prior
29	appropriations are required in order for the auditor to issue warrants.
30	(b) An order of the department of local government finance
31	directing the reassessment of property shall contain an estimate of the
32	cost of making the reassessment. The assessing officials in the county,
33	the county property tax assessment board of appeals, and the county
34	auditor may not exceed the amount so estimated by the department of
35	local government finance.
36	SECTION 10. IC 6-1.1-4-30 IS AMENDED TO READ AS
37	FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 30. Except as
38	provided by this article in making any assessment or reassessment of
39	real property in the interim between general reassessments, the rules,
40	regulations, and standards for assessment are the same as those used in

SECTION 11. IC 6-1.1-7-2 IS AMENDED TO READ AS



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the preceding general reassessment.

1	FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The department
2	of local government finance may adopt rules in order to provide a
3	method for assessing mobile homes. These rules must be consistent
4	with this article, including the factors required under IC 6-1.1-31-7. (a)
5	Except to the extent that it conflicts with a statute, 50 IAC 3.2 (as
6	effective January 1, 2007) is reinstated.
7	(b) Mobile homes within the scope of 50 IAC 3.2 (as effective
8	January 1, 2007) shall be assessed on the assessment dates in
9	calendar years 2010 and thereafter in conformity with 50 IAC 3.2
10	(as in effect January 1, 2007).
11	(c) The publisher of the Indiana Administrative Code shall
12	publish 50 IAC 3.2 (as in effect January 1, 2007) in the Indiana
13	Administrative Code.
14	(d) 50 IAC 3.3 and any other rule to the extent that it conflicts
15	with this section is void.
16	(e) A reference in 50 IAC 3.2 to a governmental entity that has
17	been terminated or a statute that has been repealed or amended
18	shall be treated as a reference to its successor.
19	(f) The department of local government finance may not amend
20	or repeal 50 IAC 3.2 (as in effect January 1, 2007) except as
21	required to bring the rule into conformity with the following:
22	(1) A statute enacted in the 2009 session of the general
23	assembly.
24	(2) Any other statute.
25	SECTION 12. IC 6-1.1-8.5-6 IS AMENDED TO READ AS
26	FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]:
27	Sec. 6. Before
28	(1) January 1, 2004; and
29	(2) January 1 of each year, that a general reassessment
30	commences under IC 6-1.1-4-4;
31	the county assessor of each qualifying county shall provide the
32	department of local government finance a list of each industrial facility
33	located in the qualifying county that is subject to assessment in that
34	year under:
35	(1) a general reassessment of real property under
36	IC 6-1.1-4-4(b); or
37	(2) a cyclical reassessment of real property under
38	IC 6-1.1-4-4(j).
39	SECTION 13. IC 6-1.1-8.7-3, AS AMENDED BY P.L.219-2007,
40	SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41	JANUARY 1, 2009 (RETROACTIVE)]: Sec. 3. (a) Before January 1,
42	2003, two hundred fifty (250) or more owners of real property in a



1	township may petition the department to assess the real property of an
2	industrial facility in the township for the 2004 assessment date.
3	(b) Before January 1 of each year that a general reassessment
4	commences under IC 6-1.1-4-4, after 2009, two hundred fifty (250) or
5	more owners of real property in a township may petition the department
6	to assess the real property of an industrial facility in the township for
7	that general reassessment.
8	(c) An industrial company may at any time petition the department
9	to assess the real property of an industrial facility owned or used by the
10	company.
11	(d) Before January 1 of any year, the county assessor of the county
12	in which an industrial facility is located may petition the department to
13	assess the real property of the industrial facility for the assessment date
14	in that year.
15	SECTION 14. IC 6-1.1-12.1-4, AS AMENDED BY P.L.219-2007,
16	SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
17	JANUARY 1, 2009 (RETROACTIVE)]: Sec. 4. (a) Except as provided
18	in section 2(i)(4) of this chapter, and subject to section 15 of this
19	chapter, the amount of the deduction which the property owner is
20	entitled to receive under section 3 of this chapter for a particular year
21	equals the product of:
22	(1) the increase in the assessed value resulting from the
23	rehabilitation or redevelopment; multiplied by
24	(2) the percentage prescribed in the table set forth in subsection
25	(d).
26	(b) The amount of the deduction determined under subsection (a)
27	shall be adjusted in accordance with this subsection in the following
28	circumstances:
29	(1) If a general reassessment or cyclical reassessment of real
30	property occurs within the particular period of the deduction, the
31	amount determined under subsection (a)(1) shall be adjusted to
32	reflect the percentage increase or decrease in assessed valuation
33	that resulted from the general reassessment or cyclical
34	reassessment.
35	(2) If an appeal of an assessment is approved that results in a
36	reduction of the assessed value of the redeveloped or rehabilitated
37	property, the amount of any deduction shall be adjusted to reflect
38	the percentage decrease that resulted from the appeal.
39	The department of local government finance shall adopt rules under
40	IC 4-22-2 to implement this subsection.

(c) Property owners who had an area designated an urban

development area pursuant to an application filed prior to January 1,



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1	1979, are only entitled to the deduction for the first through the fifth			
2	years as provided in subsection (d)(10). In addition, property owners			
3	who are entitled to a deduction under this chapter pursuant to an			
4	application filed after December 31, 1978, and before January 1, 1986,			
5	are entitled to a deduction for the first through the tenth years, as			
6	provided in subsection (d)(10).			
7	(d) The percentage to be used in calculating the deduction under			
8	subsection (a) is as follows:			
9	(1) For deductions allowed over	a one (1) year period:		
10	YEAR OF DEDUCTION	PERCENTAGE		
11	1st	100%		
12	(2) For deductions allowed over	a two (2) year period:		
13	YEAR OF DEDUCTION	PERCENTAGE		
14	1st	100%		
15	2nd	50%		
16	(3) For deductions allowed over	a three (3) year period:		
17	YEAR OF DEDUCTION	PERCENTAGE	U	
18	1st	100%		
19	2nd	66%		
20	3rd	33%		
21	(4) For deductions allowed over	a four (4) year period:		
22	YEAR OF DEDUCTION	PERCENTAGE		
23	1st	100%		
24	2nd	75%		
25	3rd	50%		
26	4th	25%		
27	(5) For deductions allowed over	a five (5) year period:		
28	YEAR OF DEDUCTION	PERCENTAGE	V	
29	1st	100%		
30	2nd	80%		
31	3rd	60%		
32	4th	40%		
33	5th	20%		
34	(6) For deductions allowed over	a six (6) year period:		
35	YEAR OF DEDUCTION	PERCENTAGE		
36	1st	100%		
37	2nd	85%		
38	3rd	66%		
39	4th	50%		
40	5th	34%		
41	6th	17%		
42	(7) For deductions allowed over	a seven (7) year period:		





	WEAR OF BERLICEION	DED CENTER CE	
1	YEAR OF DEDUCTION	PERCENTAGE	
2	1st	100%	
3	2nd	85%	
4	3rd	71%	
5	4th	57%	
6	5th	43%	
7	6th	29%	
8	7th	14%	
9	(8) For deductions allowed over a		
10	YEAR OF DEDUCTION	PERCENTAGE	
11	1st	100%	
12	2nd	88%	
13	3rd	75%	
14	4th	63%	
15	5th	50%	
16	6th	38%	
17	7th	25%	
18	8th	13%	
19	(9) For deductions allowed over a	nine (9) year period:	
20	YEAR OF DEDUCTION	PERCENTAGE	
21	1st	100%	
22	2nd	88%	
23	3rd	77%	
24	4th	66%	_
25	5th	55%	
26	6th	44%	
27	7th	33%	
28	8th	22%	V
29	9th	11%	
30	(10) For deductions allowed over	a ten (10) year period:	
31	YEAR OF DEDUCTION	PERCENTAGE	
32	1st	100%	
33	2nd	95%	
34	3rd	80%	
35	4th	65%	
36	5th	50%	
37	6th	40%	
38	7th	30%	
39	8th	20%	
40	9th	10%	
41	10th	5%	
42	SECTION 15. IC 6-1.1-12.1-4.8, AS A		
12	SECTION 13.10 0 1.1 12.1 7.0, AST		





1	SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2	JANUARY 1, 2009 (RETROACTIVE)]: Sec. 4.8. (a) A property owner
3	that is an applicant for a deduction under this section must provide a
4	statement of benefits to the designating body.
5	(b) If the designating body requires information from the property
6	owner for the designating body's use in deciding whether to designate
7	an economic revitalization area, the property owner must provide the
8	completed statement of benefits form to the designating body before
9	the hearing required by section 2.5(c) of this chapter. Otherwise, the
10	property owner must submit the completed statement of benefits form
11	to the designating body before the occupation of the eligible vacant
12	building for which the property owner desires to claim a deduction.
13	(c) The department of local government finance shall prescribe a
14	form for the statement of benefits. The statement of benefits must
15	include the following information:
16	(1) A description of the eligible vacant building that the property
17	owner or a tenant of the property owner will occupy.
18	(2) An estimate of the number of individuals who will be
19	employed or whose employment will be retained by the property
20	owner or the tenant as a result of the occupation of the eligible
21	vacant building, and an estimate of the annual salaries of those
22	individuals.
23	(3) Information regarding efforts by the owner or a previous
24	owner to sell, lease, or rent the eligible vacant building during the
25	period the eligible vacant building was unoccupied.
26	(4) Information regarding the amount for which the eligible
27	vacant building was offered for sale, lease, or rent by the owner
28	or a previous owner during the period the eligible vacant building
29	was unoccupied.
30	(d) With the approval of the designating body, the statement of
31	benefits may be incorporated in a designation application. A statement
32	of benefits is a public record that may be inspected and copied under
33	IC 5-14-3.
34	(e) The designating body must review the statement of benefits
35	required by subsection (a). The designating body shall determine
36	whether an area should be designated an economic revitalization area
37	or whether a deduction should be allowed, after the designating body
38	has made the following findings:

eligible vacant building.

(1) Whether the estimate of the number of individuals who will be

employed or whose employment will be retained can be

reasonably expected to result from the proposed occupation of the



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1	(2) Whether the estimate of the annual salaries of those	
2	individuals who will be employed or whose employment will be	
3	retained can be reasonably expected to result from the proposed	
4	occupation of the eligible vacant building.	
5	(3) Whether any other benefits about which information was	
6	requested are benefits that can be reasonably expected to result	
7	from the proposed occupation of the eligible vacant building.	
8	(4) Whether the occupation of the eligible vacant building will	
9	increase the tax base and assist in the rehabilitation of the	
10	economic revitalization area.	1
11	(5) Whether the totality of benefits is sufficient to justify the	
12	deduction.	
13	A designating body may not designate an area an economic	
14	revitalization area or approve a deduction under this section unless the	
15	findings required by this subsection are made in the affirmative.	
16	(f) Except as otherwise provided in this section, the owner of an	-
17	eligible vacant building located in an economic revitalization area is	,
18	entitled to a deduction from the assessed value of the building if the	
19	property owner or a tenant of the property owner occupies the eligible	
20	vacant building and uses it for commercial or industrial purposes. The	
21	property owner is entitled to the deduction:	
22	(1) for the first year in which the property owner or a tenant of the	
23	property owner occupies the eligible vacant building and uses it	
24	for commercial or industrial purposes; and	
25	(2) for subsequent years determined under subsection (g).	
26	(g) The designating body shall determine the number of years for	_
27	which a property owner is entitled to a deduction under this section.	,
28	However, subject to section 15 of this chapter, the deduction may not	
29	be allowed for more than two (2) years. This determination shall be	1
30	made:	
31	(1) as part of the resolution adopted under section 2.5 of this	
32	chapter; or	
33	(2) by a resolution adopted not more than sixty (60) days after the	
34	designating body receives a copy of the property owner's	
35	deduction application from the county auditor.	
36	A certified copy of a resolution under subdivision (2) shall be sent to	
37	the county auditor, who shall make the deduction as provided in section	
38	5.3 of this chapter. A determination concerning the number of years the	
39	deduction is allowed that is made under subdivision (1) is final and	

may not be changed by using the procedure under subdivision (2).

(h) Except as provided in section 2(i)(5) of this chapter and

subsection (k), and subject to section 15 of this chapter, the amount of



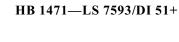
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the deduction the property owner is entitled to receive under this		
section for a particular year equals the product of:		
_		
4		



1	[EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 2. (a) For			
2	purposes of this section, an increase in the assessed value of real			
3	property is determined in the same manner that an increase in the			
4	assessed value of real property is determined for purposes of			
5	IC 6-1.1-12.1.			
6	(b) This subsection applies only to a development, redevelopment,			
7	or rehabilitation that is first assessed after March 1, 2005, and before			
8	March 2, 2007. Except as provided in subsection (h) and sections 4, 5,			
9	and 8 of this chapter, an owner of real property that:			
10	(1) develops, redevelops, or rehabilitates the real property; and			
11	(2) creates or retains employment from the development,			
12	redevelopment, or rehabilitation;			
13	is entitled to a deduction from the assessed value of the real property.			
14	(c) Subject to section 14 of this chapter, the deduction under this			
15	section is first available in the year in which the increase in assessed			
16	value resulting from the development, redevelopment, or rehabilitation			
17	occurs and continues for the following two (2) years. The amount of the			
18	deduction that a property owner may receive with respect to real			
19				
20	(1) two million dollars (\$2,000,000); or			
21	(2) the product of:			
22	(A) the increase in assessed value resulting from the			
23	development, rehabilitation, or redevelopment; multiplied by			
24	(B) the percentage from the following table:			
25	YEAR OF DEDUCTION PERCENTAGE			
26	1st 75%			
27	2nd 50%			
28	3rd 25%			
29	(d) A property owner that qualifies for the deduction under this			
30	section must file a notice to claim the deduction in the manner			
31	prescribed by the department of local government finance under rules			
32	adopted by the department of local government finance under			
33	IC 4-22-2 to implement this chapter. The township assessor, or the			
34	county assessor if there is no township assessor for the township, shall:			
35	(1) inform the county auditor of the real property eligible for the			
36	(1) inform the county auditor of the real property eligible for the			
	(1) inform the county auditor of the real property eligible for the deduction as contained in the notice filed by the taxpayer under			
37				
37 38	deduction as contained in the notice filed by the taxpayer under			
	deduction as contained in the notice filed by the taxpayer under this subsection; and			
38	deduction as contained in the notice filed by the taxpayer under this subsection; and (2) inform the county auditor of the deduction amount.			
38 39	deduction as contained in the notice filed by the taxpayer under this subsection; and (2) inform the county auditor of the deduction amount. (e) The county auditor shall:			





1	under this section.		
2	(f) The amount of the deduction determined under subsection (c)(2)		
3	J C		
	4 valuation that results from:		
	5 (1) a general reassessment of real property under IC 6-1.1-4-4; or		
6	IC 6-1.1-4-4(b);		
7	(2) an annual adjustment under IC 6-1.1-4-4.5; or		
8	(3) a cyclical reassessment of real property under		
9	IC 6-1.1-4-4(j).		
10	(g) If an appeal of an assessment is approved that results in a		
11	reduction of the assessed value of the real property, the amount of the		
12	deduction under this section is adjusted to reflect the percentage		
13	decrease that results from the appeal.		
14	( )		
15	listed in IC 6-1.1-12.1-3(e).		
16	SECTION 17. IC 6-1.1-13-6 IS AMENDED TO READ AS		
17	FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]:		
18	Sec. 6. A county assessor shall inquire into the assessment of the		
19	•		
20	March 1 in the each year. in which the general reassessment becomes		
21	effective. The county assessor shall make any changes, whether		
22	increases or decreases, in the assessed values which are necessary in		
23	order to equalize these values in and between the various townships of		
24	the county. In addition, the county assessor shall determine the percent		
25	to be added to or deducted from the assessed values in order to make		
26			
27	between the townships of the county.		
28	SECTION 18. IC 6-1.1-20.6-0.5, AS ADDED BY P.L.146-2008,		
29	SECTION 213, IS AMENDED TO READ AS FOLLOWS		
30	[EFFECTIVE UPON PASSAGE]: Sec. 0.5. As used in this chapter,		
31	"agricultural land" refers to land assessed as agricultural land. under		
32	the real property assessment rules and guidelines of The department of		
33	local government finance may not adopt rules or provide		
34	instructions to assessing officials that restrict the calculation of a		
35	property tax credit provided under this chapter for land used for		
36	agricultural purposes (as defined by the general assembly or		
37	recognized by the United States Department of Agriculture).		
38	SECTION 19. IC 6-1.1-31-1, AS AMENDED BY P.L.146-2008,		
39	SECTION 269, IS AMENDED TO READ AS FOLLOWS		
40	[EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The department of local		

(1) Prescribe the property tax forms and returns which taxpayers



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government finance shall do the following:

1	are to complete and on which the taxpayers' assessments will be
2	based.
3	(2) Prescribe the forms to be used to give taxpayers notice of
4	assessment actions.
5	(3) Adopt rules concerning the assessment of tangible property.
6	(4) (3) Develop specifications that prescribe state requirements
7	for computer software and hardware to be used by counties for
8	assessment purposes. The specifications developed under this
9	subdivision apply only to computer software and hardware
10	systems purchased for assessment purposes after July 1, 1993.
11	The specifications, including specifications in a rule or other
12	standard adopted under IC 6-1.1-31.5, must provide for:
13	(A) maintenance of data in a form that formats the information
14	in the file with the standard data, field, and record coding
15	jointly required and approved by the department of local
16	government finance and the legislative services agency;
17	(B) data export and transmission that is compatible with the
18	data export and transmission requirements in a standard format
19	prescribed by the office of technology established by
20	IC 4-13.1-2-1 and jointly approved by the department of local
21	government finance and legislative services agency; and
22	(C) maintenance of data in a manner that ensures prompt and
23	accurate transfer of data to the department of local government
24	finance and the legislative services agency, as jointly approved
25	by the department of local government finance and legislative
26	services agency.
27	(5) (4) Adopt rules establishing criteria for the revocation of a
28	certification under IC 6-1.1-35.5-6.
29	(b) Subject to this article, the department of local government
30	finance may adopt rules that are related to property taxation or the
31	duties or the procedures of the department.
32	(c) Rules of the state board of tax commissioners are for all
33	purposes rules of the department of local government finance and the
34	Indiana board until the department and the Indiana board adopt rules
35	to repeal or supersede the rules of the state board of tax commissioners.
36	SECTION 20. IC 6-1.1-31-5, AS AMENDED BY P.L.146-2008,
37	SECTION 271, IS AMENDED TO READ AS FOLLOWS
38	[EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Subject to This article,
39	the rules adopted by the department of local government finance are
40	including IC 6-1.1-3-22, IC 6-1.1-4-4, IC 6-1.1-4-4.5, IC 6-1.1-7-2,
41	and IC 6-1.1-8-44, is the basis for determining the true tax value of



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tangible property.

1	(b) Assessing officials shall:			
2	(1) comply with the rules, appraisal manuals, bulletins, and			
3	directives adopted by the department of local government finance;			
4	(2) use the property tax forms, property tax returns, and notice			
5	forms prescribed by the department; and			
6	(3) collect and record the data required by the department.			
7	(c) In assessing tangible property, the assessing officials may <b>not</b>			
8	consider factors in addition to those prescribed by the department of			
9	local government finance if the use of the additional factors is first			
10	approved by the department. Each assessing official shall indicate on			
11	the official's records for each individual assessment whether:			
12	(1) only the factors contained in the department's rules, forms, and			
13	returns have been considered; or			
14	(2) factors in addition to those contained in the department's rules,			
15	forms, and returns have been considered.			
16	SECTION 21. IC 6-1.1-31-6, AS AMENDED BY P.L.154-2006,			
17	SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE	U		
18	UPON PASSAGE]: Sec. 6. (a) With respect to the assessment of real			
19	property, the rules of the department of local government finance shall			
20	<del>provide for:</del>			
21	(1) the classification of land on the basis of:			
22	(i) acreage;			
23	<del>(ii) lots;</del>			
24	<del>(iii)</del> <del>size;</del>			
25	(iv) location;			
26	(v) use;			
27	(vi) productivity or earning capacity;			
28	(vii) applicable zoning provisions;	y		
29	(viii) accessibility to highways, sewers, and other public			
30	services or facilities; and			
31	(ix) any other factor that the department determines by rule is			
32	just and proper; and			
33	(2) the classification of improvements on the basis of:			
34	(i) size;			
35	(ii) location;			
36	(iii) use;			
37	(iv) type and character of construction;			
38	(v) age;			
39	(vi) condition;			
40	(vii) cost of reproduction; and			
41	(viii) any other factor that the department determines by rule			
42	<del>is just and proper</del>			





1	(b) With respect to the assessment of real property, the rules of the			
2	department of local government finance shall include instructions for			
3	determining:			
4	(1) the proper classification of real property;			
5	(2) the size of real property;			
6	(3) the effects that location and use have on the value of real			
7	<del>property;</del>			
8	(4) the productivity or earning capacity of:			
9	(A) agricultural land; and			
10	(B) real property regularly used to rent or otherwise furnish			
11	residential accommodations for periods of thirty (30) days or			
12	more;			
13	(5) sales data for generally comparable properties; and			
14	(6) the true tax value of real property based on the factors listed			
15	in this subsection and any other factor that the department	_		
16	determines by rule is just and proper.			
17	(c) With respect to the assessment of real property, true tax value	U		
18	does not mean fair market value. Subject to this article, true tax value			
19	is the value determined under the rules of the department of local			
20	government finance.			
21	SECTION 22. IC 6-1.1-31-7, AS AMENDED BY P.L.214-2005,			
22	SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE			
23	UPON PASSAGE]: Sec. 7. (a) With respect to the assessment of			
24	personal property, the rules of the department of local government			
25	finance shall provide for the classification of personal property on the			
26	<del>basis of:</del>			
27	(1) date of purchase;			
28	(2) location;	y		
29	<del>(3) use;</del>			
30	(4) depreciation, obsolescence, and condition; and			
31	(5) any other factor that the department determines by rule is just			
32	and proper.			
33	(b) With respect to the assessment of personal property, the rules of			
34	the department of local government finance shall include instructions			
35	for determining:			
36	(1) the proper classification of personal property;			
37	(2) the effect that location has on the value of personal property;			
38	(3) the cost of reproducing personal property;			
39	(4) the depreciation, including physical deterioration and			
40	obsolescence, of personal property;			
41	(5) the productivity or earning capacity of mobile homes regularly			
12	wood to rest or otherwise furnish residential accommodations for			



1	periods of thirty (30) days or more;		
2	(6) the true tax value of mobile homes assessed under IC 6-1.1-7		
3	(other than mobile homes subject to the preferred valuation		
4	method under IC 6-1.1-4-39(b)) as the least of the values		
5	determined using the following:		
6	(A) The National Automobile Dealers Association Guide.		
7	(B) The purchase price of a mobile home if:		
8	(i) the sale is of a commercial enterprise nature; and		
9	(ii) the buyer and seller are not related by blood or marriage.		
10	(C) Sales data for generally comparable mobile homes;		
11	(7) the true tax value at the time of acquisition of computer		
12	application software, for the purpose of deducting the value of		
13	computer application software from the acquisition cost of		
14	tangible personal property whenever the value of the tangible		
15	personal property that is recorded on the taxpayer's books and		
16	records reflects the value of the computer application software;		
17	<del>and</del>		
18	(8) the true tax value of personal property based on the factors		
19			
20	, i		
21			
22			
23	•		
24			
25			
26	(d) With respect to the assessment of personal property, true tax		
27	value does not mean fair market value. Subject to this article, true tax		
28	value is the value determined under rules of the department of local		
29	government finance.		
30	SECTION 23. IC 6-1.1-31-9 IS AMENDED TO READ AS		
31	FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Except as		
32	provided in subsection (b) or as necessary to implement a statutory		
33	change affecting the appraisal of real property in a general		
34	reassessment, the department of local government finance may not		
35	adopt rules for the appraisal of real property in a general reassessment		
36	after July 1 of the year before the year in which the general		
37	reassessment is scheduled to begin.		
38	(b) If rules for the appraisal of real property in a general		
39	reassessment are timely adopted under subsection (a) and are then		
40	disapproved by the attorney general for any reason under IC 4-22-2-32,		
41	the department of local government finance may modify the rules to		

cure the defect that resulted in disapproval by the attorney general, and



1	may then take all actions necessary under IC 4-22-2 to readopt and to				
2	obtain approval of the rules. This process may be repeated as necessary				
3	until the rules are approved.				
4	SECTION 24. IC 36-2-7-13, AS AMENDED BY P.L.146-2008,				
5	SECTION 691, IS AMENDED TO READ AS FOLLOWS				
6	[EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 13. The				
7	county fiscal body may grant to the county assessor, in addition to the				
8	compensation fixed under IC 36-2-5, a per diem for each day that the				
9	assessor is engaged in general reassessment activities under				
0	IC 6-1.1-4-4(b) or cyclical reassessment activities under				
1	IC 6-1.1-4-4(j). This section applies regardless of whether professional				
2	assessing services are provided under a contract to one (1) or more				
3					
4	SECTION 25. IC 6-1.1-31-12 IS REPEALED [EFFECTIVE UPON				
5	PASSAGE].				
6	SECTION 26. [EFFECTIVE JULY 1, 2009] (a) The legislative				
7	services agency shall prepare legislation for introduction in the	U			
8	2010 regular session of the general assembly to organize and				
9	correct statutes affected by this act, if necessary.				
20	(b) This SECTION expires December 31, 2010.				
21	SECTION 27. An emergency is declared for this act.				



### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1471, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

- Page 2, line 17, delete "A" and insert "Except as provided in subsection (j), a".
- Page 2, line 27, delete "January 1, 2010," and insert "March 1, 2011,".
  - Page 2, line 28, delete "January" and insert "March".
  - Page 3, between lines 18 and 19, begin a new paragraph and insert:
- "(j) For assessment dates after 2008, subject to subsection (k), the county assessor and the county executive may jointly:
  - (1) determine to conduct cyclical reassessments under this subsection instead of general reassessments under subsection (b); and
  - (2) designate successive periods:
    - (A) of equal length;
    - (B) each of not more than four (4) years; and
    - (C) to continue until the county assessor and the county executive jointly determine:
      - (i) to designate periods of different duration under this subdivision; or
      - (ii) to apply general reassessments of real property in the county under subsection (b);

in which an equal percentage of all parcels of real property in the county is assessed each year under the cyclical reassessment program so that a new assessment is determined for each parcel in the county in each designated period.

- (k) The following apply to cyclical reassessments under subsection (j):
  - (1) The cyclical reassessments involve a physical inspection of the real property in the manner that physical inspections apply to a general reassessment under subsection (b).
  - (2) The cyclical reassessment for an assessment date is determined using the rules of the department of local government finance for the appraisal of real property in a general reassessment that apply for that assessment date, subject to the adjustments under subsection (e).
  - (3) The county assessor shall determine which parcels are subject to reassessment in each year under the framework of subsection (j)(2)."

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Page 4, between lines 19 and 20, begin a new paragraph and insert:

"(c) For assessment dates after January 15, 2009, an adjustment in the assessed value of real property under this section must be based on the estimated true tax value of the property on the assessment date that is the basis for taxes payable on that real property.

SECTION 4. IC 6-1.1-4-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) In assessing or reassessing land, the land shall be assessed as agricultural land only when it is devoted to used for agricultural use. purposes (as defined by the general assembly or recognized by the United States Department of Agriculture).

- (b) The department of local government finance shall give written notice to each county assessor of:
  - (1) the availability of the United States Department of Agriculture's soil survey data; and
  - (2) the appropriate soil productivity factor for each type or classification of soil shown on the United States Department of Agriculture's soil survey map.

All assessing officials and the property tax assessment board of appeals shall use the data in determining the true tax value of agricultural land.

- (c) The department of local government finance shall by rule provide for the method for determining the true tax value of each parcel of agricultural land.
- (d) This section does not apply to land purchased for industrial, commercial, or residential uses.

SECTION 5. IC 6-1.1-4-13.6, AS AMENDED BY P.L.146-2008, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 13.6. (a) The township assessor, or the county assessor if there is no township assessor for the township, shall determine the values of all classes of commercial, industrial, and residential land (including farm homesites) in the township or county using guidelines determined by the department of local government finance. Not later than November 1 of the year preceding the year in which:

- (1) a general reassessment becomes effective; or
- (2) a general reassessment would have become effective if the county had not determined to conduct cyclical reassessments under section 4(j) of this chapter;

the assessor determining the values of land shall submit the values to the county property tax assessment board of appeals.

(b) Not before April 1 and not later than December 1 of the year



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preceding the year in which a general reassessment becomes effective, in which land values are submitted to the county property tax assessment board of appeals under subsection (a), the county property tax assessment board of appeals shall hold a public hearing in the county concerning those values. The property tax assessment board of appeals shall give notice of the hearing in accordance with IC 5-3-1. and shall hold the hearing after March 31 and before December 1 of the year preceding the year in which the general reassessment under section 4 of this chapter becomes effective.

- (b) (c) The county property tax assessment board of appeals shall review the values submitted under subsection (a) and may make any modifications it considers necessary to provide uniformity and equality. The county property tax assessment board of appeals shall coordinate the valuation of property adjacent to the boundaries of the county with the county property tax assessment boards of appeals of the adjacent counties using the procedures adopted by rule under IC 4-22-2 by the department of local government finance. If the county assessor fails to submit land values under subsection (a) to the county property tax assessment board of appeals before November 1 of the year before the date the general reassessment under section 4 of this chapter becomes effective, the deadline under subsection (a), the county property tax assessment board of appeals shall determine the values. If the county property tax assessment board of appeals fails to determine the values before:
  - (1) the general reassessment becomes effective; or
  - (2) a general reassessment would have become effective if the county had not determined to conduct cyclical reassessments under section 4(j) of this chapter;

the department of local government finance shall determine the values.

(c) (d) The county assessor shall notify all township assessors in the county (if any) of the values as modified by the county property tax assessment board of appeals. Assessing officials shall use the values determined under this section."

Page 4, between lines 24 and 25, begin a new paragraph and insert: "SECTION 7. IC 6-1.1-4-27.5, AS AMENDED BY P.L.146-2008, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 27.5. (a) The auditor of each county shall establish a property reassessment fund. The county treasurer shall deposit all collections resulting from the property taxes that the county levies for the county's property reassessment fund.

(b) With respect to the general reassessment of real property that is to commence on July 1, 2009, the county council of each county shall,











for property taxes due in 2006, 2007, 2008, and 2009, levy in each year against all the taxable property in the county an amount equal to one-fourth (1/4) of the remainder of:

- (1) the estimated costs referred to in section 28.5(a) of this chapter; minus
- (2) the amount levied under this section by the county council for property taxes due in 2004 and 2005.
- (c) With respect to a general reassessment of real property that is to commence on July 1, 2014, and each fifth year thereafter, the county council of each county shall, for property taxes due in the year that the general reassessment:
  - (1) is to commence in a county in which general reassessments apply under section 4(b) of this chapter; or
  - (2) would commence if the county had not determined to conduct cyclical reassessments under section 4(j) of this chapter;

and the four (4) years preceding that year, levy against all the taxable property in the county an amount equal to one-fifth (1/5) of the estimated costs under section 28.5 of this chapter of the general reassessment under section 28.5 of this chapter. or of cyclical reassessments.

- (d) The department of local government finance shall give to each county council notice, before January 1 in a year, of the tax levies required by this section for that year.
- (e) The department of local government finance may raise or lower the property tax levy under this section for a year if the department determines it is appropriate because the estimated cost of:
  - (1) a general reassessment or under section 4(b) of this chapter;
  - (2) making annual adjustments under section 4.5 of this chapter;
  - (3) doing cyclical reassessments under section 4(j) of this chapter;

has changed.

- (f) The county assessor may petition the county fiscal body to increase the levy under subsection (b) or (c) to pay for the costs of:
  - (1) a general reassessment;
  - (2) verification under 50 IAC 21-3-2 of sales disclosure forms forwarded to the county assessor under IC 6-1.1-5.5-3; or
  - (3) processing annual adjustments under section 4.5 of this chapter; **or**
  - (4) doing cyclical reassessments under section 4(j) of this chapter.













The assessor must document the needs and reasons for the increased funding.

- (g) If the county fiscal body denies a petition under subsection (f), the county assessor may appeal to the department of local government finance. The department of local government finance shall:
  - (1) hear the appeal; and
  - (2) determine whether the additional levy is necessary.

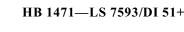
SECTION 8. IC 6-1.1-4-28.5, AS AMENDED BY P.L.146-2008, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 28.5. (a) Money assigned to a property reassessment fund under section 27.5 of this chapter may be used only to pay the costs of:

- (1) the general reassessment of real property under section 4(b) of this chapter or the cyclical reassessment of real property under section 4(j) of this chapter, including the computerization of assessment records;
- (2) payments to assessing officials and hearing officers for county property tax assessment boards of appeals under IC 6-1.1-35.2;
- (3) the development or updating of detailed soil survey data by the United States Department of Agriculture or its successor agency;
- (4) the updating of plat books;
- (5) payments for the salary of permanent staff or for the contractual services of temporary staff who are necessary to assist assessing officials;
- (6) making annual adjustments under section 4.5 of this chapter; and
- (7) the verification under 50 IAC 21-3-2 of sales disclosure forms forwarded to:
  - (A) the county assessor; or
- (B) township assessors (if any);

under IC 6-1.1-5.5-3.

Money in a property tax reassessment fund may not be transferred or reassigned to any other fund and may not be used for any purposes other than those set forth in this section.

- (b) All counties shall use modern, detailed soil maps in the general reassessment of agricultural land.
- (c) The county treasurer of each county shall, in accordance with IC 5-13-9, invest any money accumulated in the property reassessment fund. Any interest received from investment of the money shall be paid into the property reassessment fund.
  - (d) An appropriation under this section must be approved by the













fiscal body of the county after the review and recommendation of the county assessor. However, in a county with a township assessor in every township, the county assessor does not review an appropriation under this section, and only the fiscal body must approve an appropriation under this section.

SECTION 9. IC 6-1.1-4-29, AS AMENDED BY P.L.146-2008, SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 29. (a) The expenses of a general reassessment under section 4(b) of this chapter or of a cyclical reassessment of real property under section 4(j) of this chapter, except those incurred by the department of local government finance in performing its normal functions, shall be paid by the county in which the reassessed property is situated. These expenses, except for the expenses of a general reassessment, shall be paid from county funds. The county auditor shall issue warrants for the payment of general reassessment or cyclical reassessment expenses. No prior appropriations are required in order for the auditor to issue warrants.

(b) An order of the department of local government finance directing the reassessment of property shall contain an estimate of the cost of making the reassessment. The assessing officials in the county, the county property tax assessment board of appeals, and the county auditor may not exceed the amount so estimated by the department of local government finance.".

Page 5, between lines 13 and 14, begin a new paragraph and insert: "SECTION 12. IC 6-1.1-8.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 6. Before

- (1) January 1, 2004; and
- (2) January 1 of each year, that a general reassessment commences under IC 6-1.1-4-4;

the county assessor of each qualifying county shall provide the department of local government finance a list of each industrial facility located in the qualifying county that is subject to assessment in that year under:

- (1) a general reassessment of real property under IC 6-1.1-4-4(b); or
- (2) a cyclical reassessment of real property under IC 6-1.1-4-4(j).

SECTION 13. IC 6-1.1-8.7-3, AS AMENDED BY P.L.219-2007, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 3. (a) Before January 1, 2003, two hundred fifty (250) or more owners of real property in a











township may petition the department to assess the real property of an industrial facility in the township for the 2004 assessment date.

- (b) Before January 1 of each year that a general reassessment commences under IC 6-1.1-4-4, after 2009, two hundred fifty (250) or more owners of real property in a township may petition the department to assess the real property of an industrial facility in the township for that general reassessment.
- (c) An industrial company may at any time petition the department to assess the real property of an industrial facility owned or used by the company.
- (d) Before January 1 of any year, the county assessor of the county in which an industrial facility is located may petition the department to assess the real property of the industrial facility for the assessment date in that year.

SECTION 14. IC 6-1.1-12.1-4, AS AMENDED BY P.L.219-2007, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 4. (a) Except as provided in section 2(i)(4) of this chapter, and subject to section 15 of this chapter, the amount of the deduction which the property owner is entitled to receive under section 3 of this chapter for a particular year equals the product of:

- (1) the increase in the assessed value resulting from the rehabilitation or redevelopment; multiplied by
- (2) the percentage prescribed in the table set forth in subsection (d).
- (b) The amount of the deduction determined under subsection (a) shall be adjusted in accordance with this subsection in the following circumstances:
  - (1) If a general reassessment **or cyclical reassessment** of real property occurs within the particular period of the deduction, the amount determined under subsection (a)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the general reassessment **or cyclical reassessment**.
  - (2) If an appeal of an assessment is approved that results in a reduction of the assessed value of the redeveloped or rehabilitated property, the amount of any deduction shall be adjusted to reflect the percentage decrease that resulted from the appeal.

The department of local government finance shall adopt rules under IC 4-22-2 to implement this subsection.

(c) Property owners who had an area designated an urban development area pursuant to an application filed prior to January 1,





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1979, are only entitled to the deduction for the first through the fifth years as provided in subsection (d)(10). In addition, property owners who are entitled to a deduction under this chapter pursuant to an application filed after December 31, 1978, and before January 1, 1986, are entitled to a deduction for the first through the tenth years, as provided in subsection (d)(10).

(d) The percentage to be used in calculating the deduction under subsection (a) is as follows:

_	5 <b>6 6</b> 10 11 (a) 15 as 10 1105.	
	(1) For deductions allowed over	r a one (1) year period:
	YEAR OF DEDUCTION	PERCENTAGE
	1st	100%
	(2) For deductions allowed over	r a two (2) year period:
	YEAR OF DEDUCTION	PERCENTAGE
	1st	100%
	2nd	50%
	(3) For deductions allowed over	r a three (3) year period:
	YEAR OF DEDUCTION	PERCENTAGE
	1st	100%
	2nd	66%
	3rd	33%
	(4) For deductions allowed over	r a four (4) year period:
	YEAR OF DEDUCTION	PERCENTAGE
	1st	100%
	2nd	75%
	3rd	50%
	4th	25%
	(5) For deductions allowed over	r a five (5) year period:
	YEAR OF DEDUCTION	PERCENTAGE
	1 st	100%
	2nd	80%
	3rd	60%
	4th	40%
	5th	20%
	(6) For deductions allowed over	r a six (6) year period:
	YEAR OF DEDUCTION	PERCENTAGE
	1 st	100%
	2nd	85%
	3rd	66%

50%

34%

17%

(7) For deductions allowed over a seven (7) year period:



4th 5th

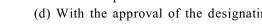
6th

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	85%
3rd	71%
4th	57%
5th	43%
6th	29%
7th	14%
(8) For deductions allowed over an el	ight (8) year period:
YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%
3rd	75%
4th	63%
5th	50%
6th	38%
7th	25%
8th	13%
(9) For deductions allowed over a nir	ne (9) year period:
YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	88%
3rd	77%
4th	66%
5th	55%
6th	44%
7th	33%
8th	22%
9th	11%
(10) For deductions allowed over a te	en (10) year period:
YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	95%
3rd	80%
4th	65%
5th	50%
6th	40%
7th	30%
8th	20%
9th	10%
10th	5%
SECTION 15. IC 6-1.1-12.1-4.8, AS AM	ENDED BY P.L.219-2007,



SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 4.8. (a) A property owner that is an applicant for a deduction under this section must provide a statement of benefits to the designating body.

- (b) If the designating body requires information from the property owner for the designating body's use in deciding whether to designate an economic revitalization area, the property owner must provide the completed statement of benefits form to the designating body before the hearing required by section 2.5(c) of this chapter. Otherwise, the property owner must submit the completed statement of benefits form to the designating body before the occupation of the eligible vacant building for which the property owner desires to claim a deduction.
- (c) The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:
  - (1) A description of the eligible vacant building that the property owner or a tenant of the property owner will occupy.
  - (2) An estimate of the number of individuals who will be employed or whose employment will be retained by the property owner or the tenant as a result of the occupation of the eligible vacant building, and an estimate of the annual salaries of those individuals.
  - (3) Information regarding efforts by the owner or a previous owner to sell, lease, or rent the eligible vacant building during the period the eligible vacant building was unoccupied.
  - (4) Information regarding the amount for which the eligible vacant building was offered for sale, lease, or rent by the owner or a previous owner during the period the eligible vacant building was unoccupied.
- (d) With the approval of the designating body, the statement of benefits may be incorporated in a designation application. A statement of benefits is a public record that may be inspected and copied under IC 5-14-3.
- (e) The designating body must review the statement of benefits required by subsection (a). The designating body shall determine whether an area should be designated an economic revitalization area or whether a deduction should be allowed, after the designating body has made the following findings:
  - (1) Whether the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed occupation of the eligible vacant building.





- (2) Whether the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed occupation of the eligible vacant building.
- (3) Whether any other benefits about which information was requested are benefits that can be reasonably expected to result from the proposed occupation of the eligible vacant building.
- (4) Whether the occupation of the eligible vacant building will increase the tax base and assist in the rehabilitation of the economic revitalization area.
- (5) Whether the totality of benefits is sufficient to justify the deduction.

A designating body may not designate an area an economic revitalization area or approve a deduction under this section unless the findings required by this subsection are made in the affirmative.

- (f) Except as otherwise provided in this section, the owner of an eligible vacant building located in an economic revitalization area is entitled to a deduction from the assessed value of the building if the property owner or a tenant of the property owner occupies the eligible vacant building and uses it for commercial or industrial purposes. The property owner is entitled to the deduction:
  - (1) for the first year in which the property owner or a tenant of the property owner occupies the eligible vacant building and uses it for commercial or industrial purposes; and
  - (2) for subsequent years determined under subsection (g).
- (g) The designating body shall determine the number of years for which a property owner is entitled to a deduction under this section. However, subject to section 15 of this chapter, the deduction may not be allowed for more than two (2) years. This determination shall be made:
  - (1) as part of the resolution adopted under section 2.5 of this chapter; or
  - (2) by a resolution adopted not more than sixty (60) days after the designating body receives a copy of the property owner's deduction application from the county auditor.

A certified copy of a resolution under subdivision (2) shall be sent to the county auditor, who shall make the deduction as provided in section 5.3 of this chapter. A determination concerning the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by using the procedure under subdivision (2).

(h) Except as provided in section 2(i)(5) of this chapter and subsection (k), and subject to section 15 of this chapter, the amount of













the deduction the property owner is entitled to receive under this section for a particular year equals the product of:

- (1) the assessed value of the building or part of the building that is occupied by the property owner or a tenant of the property owner; multiplied by
- (2) the percentage set forth in the table in subsection (i).
- (i) The percentage to be used in calculating the deduction under subsection (h) is as follows:
  - (1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION

**PERCENTAGE** 

1st

100%

(2) For deductions allowed over a two (2) year period: YEAR OF DEDUCTION

1st

**PERCENTAGE** 

2nd

100% 50%

- (i) The amount of the deduction determined under subsection (h) shall be adjusted in accordance with this subsection in the following circumstances:
  - (1) If a general reassessment or cyclical reassessment of real property occurs within the period of the deduction, the amount of the assessed value determined under subsection (h)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the general reassessment or cyclical reassessment.
  - (2) If an appeal of an assessment is approved and results in a reduction of the assessed value of the property, the amount of a deduction under this section shall be adjusted to reflect the percentage decrease that resulted from the appeal.
- (k) The maximum amount of a deduction under this section may not exceed the lesser of:
  - (1) the annual amount for which the eligible vacant building was offered for lease or rent by the owner or a previous owner during the period the eligible vacant building was unoccupied; or
  - (2) an amount, as determined by the designating body in its discretion, that is equal to the annual amount for which similar buildings in the county or contiguous counties were leased or rented or offered for lease or rent during the period the eligible vacant building was unoccupied.
- (1) The department of local government finance may adopt rules under IC 4-22-2 to implement this section.

SECTION 16. IC 6-1.1-12.4-2, AS AMENDED BY P.L.146-2008, SECTION 130, IS AMENDED TO READ AS FOLLOWS











[EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 2. (a) For purposes of this section, an increase in the assessed value of real property is determined in the same manner that an increase in the assessed value of real property is determined for purposes of IC 6-1.1-12.1.

- (b) This subsection applies only to a development, redevelopment, or rehabilitation that is first assessed after March 1, 2005, and before March 2, 2007. Except as provided in subsection (h) and sections 4, 5, and 8 of this chapter, an owner of real property that:
  - (1) develops, redevelops, or rehabilitates the real property; and
  - (2) creates or retains employment from the development, redevelopment, or rehabilitation;

is entitled to a deduction from the assessed value of the real property.

- (c) Subject to section 14 of this chapter, the deduction under this section is first available in the year in which the increase in assessed value resulting from the development, redevelopment, or rehabilitation occurs and continues for the following two (2) years. The amount of the deduction that a property owner may receive with respect to real property located in a county for a particular year equals the lesser of:
  - (1) two million dollars (\$2,000,000); or
  - (2) the product of:
    - (A) the increase in assessed value resulting from the development, rehabilitation, or redevelopment; multiplied by (B) the percentage from the following table:

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YEAR OF DEDUCTION	PERCENTAGE
1st	75%
2nd	50%
3rd	25%

- (d) A property owner that qualifies for the deduction under this section must file a notice to claim the deduction in the manner prescribed by the department of local government finance under rules adopted by the department of local government finance under IC 4-22-2 to implement this chapter. The township assessor, or the county assessor if there is no township assessor for the township, shall:
  - (1) inform the county auditor of the real property eligible for the deduction as contained in the notice filed by the taxpayer under this subsection; and
  - (2) inform the county auditor of the deduction amount.
  - (e) The county auditor shall:
    - (1) make the deductions; and
    - (2) notify the county property tax assessment board of appeals of all deductions approved;





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under this section.

- (f) The amount of the deduction determined under subsection (c)(2) is adjusted to reflect the percentage increase or decrease in assessed valuation that results from:
  - (1) a general reassessment of real property under IC 6-1.1-4-4; or IC 6-1.1-4-4(b);
  - (2) an annual adjustment under IC 6-1.1-4-4.5; or
  - (3) a cyclical reassessment of real property under IC 6-1.1-4-4(j).
- (g) If an appeal of an assessment is approved that results in a reduction of the assessed value of the real property, the amount of the deduction under this section is adjusted to reflect the percentage decrease that results from the appeal.
- (h) The deduction under this section does not apply to a facility listed in IC 6-1.1-12.1-3(e).

SECTION 17. IC 6-1.1-13-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 6. A county assessor shall inquire into the assessment of the classes of tangible property in the various townships of the county after March 1 in the each year. in which the general reassessment becomes effective. The county assessor shall make any changes, whether increases or decreases, in the assessed values which are necessary in order to equalize these values in and between the various townships of the county. In addition, the county assessor shall determine the percent to be added to or deducted from the assessed values in order to make a just, equitable, and uniform equalization of assessments in and between the townships of the county.

SECTION 18. IC 6-1.1-20.6-0.5, AS ADDED BY P.L.146-2008, SECTION 213, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 0.5. As used in this chapter, "agricultural land" refers to land assessed as agricultural land. under the real property assessment rules and guidelines of The department of local government finance may not adopt rules or provide instructions to assessing officials that restrict the calculation of a property tax credit provided under this chapter for land used for agricultural purposes (as defined by the general assembly or recognized by the United States Department of Agriculture)."

Page 9, between lines 21 and 22, begin a new paragraph and insert: "SECTION 24. IC 36-2-7-13, AS AMENDED BY P.L.146-2008, SECTION 691, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: Sec. 13. The county fiscal body may grant to the county assessor, in addition to the



compensation fixed under IC 36-2-5, a per diem for each day that the assessor is engaged in general reassessment activities under IC 6-1.1-4-4(b) or cyclical reassessment activities under IC 6-1.1-4-4(j). This section applies regardless of whether professional assessing services are provided under a contract to one (1) or more townships in the county."

Page 9, between lines 23 and 24, begin a new paragraph and insert: "SECTION 25. [EFFECTIVE JULY 1, 2009] (a) The legislative services agency shall prepare legislation for introduction in the 2010 regular session of the general assembly to organize and correct statutes affected by this act, if necessary.

(b) This SECTION expires December 31, 2010.".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1471 as introduced.)

CRAWFORD, Chair

Committee Vote: yeas 14, nays 9.

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